

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.²

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Objection Deadline:

July 2, 2025 at 4:00 p.m. (prevailing Eastern Time)

**SUMMARY OF FIFTH MONTHLY FEE APPLICATION OF YOUNG
CONAWAY STARGATT & TAYLOR, LLP, AS CO-COUNSEL FOR THE
DEBTORS AND THE DEBTORS IN POSSESSION, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM APRIL 1, 2025 THROUGH AND INCLUDING APRIL 30, 2025**

Name of Applicant:

Young Conaway Stargatt & Taylor, LLP

Authorized to Provide Professional Services to:

Debtors and Debtors in Possession

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

² On June 6, 2025, every Debtor except Freedom VCM Holdings, LLC emerged from these chapter 11 cases and is now a Reorganized Debtor. *See Notice of (I) Entry of Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates* [Docket No. 1605].

Date of Retention: November 3, 2024 (order entered January 10, 2024)

Monthly Period for which compensation and reimbursement is sought: April 1, 2025 through April 30, 2025

Monthly Amount of compensation sought as actual, reasonable and necessary: \$352,510.00

Monthly Amount of expense reimbursement sought as actual, reasonable and necessary: \$8,052.08

This is a: X monthly final application

This application includes 5.60 hours and \$4,400.50 in fees incurred in connection with the preparation of Fee Applications.

Prior Applications:

		Requested		Approved	
Date Filed / Docket No.	Period Covered	Fees	Expenses	Fees	Expenses
2/14/25 D.I. 983	11/3/24 – 12/31/24	\$999,936.50	\$19,491.23	Pending	Pending
3/12/25 D.I. 1091	1/1/25 – 1/31/25	\$528,134.50	\$9,476.29	Pending	Pending
4/16/25 D.I. 1285	2/1/25 – 2/28/25	\$559,032.00	\$33,242.23	Pending	Pending
5/21/25 D.I. 1552	3/1/25 – 3/31/25	\$250,150.50	\$8,818.14	Pending	Pending
TOTAL		\$2,337,253.50	\$71,027.89	Pending	Pending

COMPENSATION BY INDIVIDUAL

Name	Position, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice	Hourly Billing Rate	Total Billed Hours	Total Compensation
Edmon L. Morton	Partner since 2008. Joined the firm as an associate in 1999. Member of the DE Bar since 1999.	\$1,290.00	48.90	\$63,081.00
Matthew B. Lunn	Partner since 2010. Joined firm as an associate in 2001. Member of DE Bar since 2001.	\$1,190.00	37.80	\$44,982.00
John C. Kuffel	Partner since 2018. Joined the firm as an associate in 2004. Member of the DE Bar since 2004.	\$615.00	0.80	\$492.00
Allison S. Mielke	Partner since 2025. Joined firm as an associate in 2017. Member of DE Bar since 2013.	\$860.00	80.90	\$69,574.00
Shella Borovinskaya	Joined firm as an associate in 2022. Member of DE Bar since 2021.	\$615.00	32.40	\$19,926.00
Mariam Khoudari	Joined firm as an associate in 2024. Member of PA Bar since 2021	\$615.00	71.10	\$43,726.50
Kristin L. McElroy	Joined firm as an associate in 2022. Member of DE Bar since 2022.	\$580.00	93.80	\$54,404.00
Emily Rollo	Joined firm as an associate in 2023. Member of DE and PA Bars since 2023.	\$515.00	5.80	\$2,987.00
Brynna M. Gaffney	Joined firm as an associate in 2024. Member of DE Bar since 2024.	\$500.00	43.20	\$21,600.00
Sarah Gawrysiak	Joined firm as an associate in 2024. Member of DE Bar since 2024.	\$500.00	1.40	\$700.00
Brenda Walters	Paralegal	\$395.00	3.50	\$1,382.50
Debbie Laskin	Paralegal	\$395.00	1.00	\$395.00
Beth A. Olivere	Paralegal	\$385.00	70.50	\$27,142.50
Hubert T. Hannagan, III	Paralegal	\$385.00	5.50	\$2,117.50
Grand Total:			496.60	\$352,510.00

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Fees (\$)
Case Administration (B001)	31.40	\$16,781.50
Court Hearings (B002)	67.10	\$48,642.50
Cash Collateral/DIP Financing (B003)	6.30	\$7,231.00
Schedules & Statements, U.S. Trustee Reports (B004)	14.80	\$11,035.00
Lease/Executory Contract Issues (B005)	38.80	\$24,615.50
Use, Sale or Lease of Property (363 Issues) (B006)	39.30	\$28,174.50
Claims Analysis, Objections and Resolutions (B007)	80.90	\$60,736.50
Meetings (B008)	41.70	\$35,120.50
Stay Relief Matters (B009)	5.30	\$3,979.00
Other Adversary Proceedings (B011)	14.10	\$12,187.00
Plan and Disclosure Statement (B012)	55.80	\$45,918.50
Creditor Inquiries (B013)	4.90	\$2,718.00
General Corporate Matters (B014)	6.20	\$3,364.00
Retention of Professionals/Fee Issues (B017)	84.10	\$47,397.00
Fee Application Preparation (B018)	5.60	\$4,400.50
Utility Services (B020)	0.30	\$209.00
TOTAL	496.60	\$352,510.00

EXPENSE SUMMARY

Expenses Category	Total Expenses (\$)
AP Outside Duplication Services	\$1,726.95
Computerized Legal Research – WESTLAW	\$415.39
Delivery/Courier	\$347.00
Deposition/Transcript	\$1,200.60
Docket Retrieval/Search	\$185.90
Filing Fee	\$349.00
Reproduction Charges	\$2,836.90
Working Meals	\$990.34
TOTAL	\$8,052.08

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.²

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Objection Deadline:

July 2, 2025 at 4:00 p.m. (prevailing Eastern Time)

**FIFTH MONTHLY FEE APPLICATION OF YOUNG CONAWAY
STARGATT & TAYLOR, LLP, AS CO-COUNSEL FOR THE DEBTORS AND
THE DEBTORS IN POSSESSION, FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM
APRIL 1, 2025 THROUGH AND INCLUDING APRIL 30, 2025**

Pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), and rule 2016 of the Federal Rules of Bankruptcy Procedure, the

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

² On June 6, 2025, every Debtor except Freedom VCM Holdings, LLC emerged from these chapter 11 cases and is now a Reorganized Debtor. *See Notice of (I) Entry of Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates* [Docket No. 1605].

law firm of Young Conaway Stargatt & Taylor, LLP (hereinafter, “Young Conaway”) hereby moves (this “Application”) the United States Bankruptcy Court for the District of Delaware (the “Court”) for reasonable compensation for professional legal services rendered as counsel to the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) in the amount of \$352,510.00, together with reimbursement for actual and necessary expenses incurred in the amount of \$8,052.08, for the period commencing April 1, 2025 through and including April 30, 2025 (the “Monthly Fee Period”). In support of this Application, Young Conaway respectfully represents as follows:

BACKGROUND

1. On November 3, 2024 (the “Petition Date”) each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code.
2. Pursuant to the Court’s order authorizing Young Conaway’s retention [Docket No. 715] (the “Retention Order”), Young Conaway was retained to represent the Debtors as bankruptcy counsel in connection with these chapter 11 cases, effective as of the Petition Date. The Retention Order authorizes Young Conaway to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.
3. All services for which compensation is requested herein by Young Conaway were performed for or on behalf of the Debtors.

SUMMARY OF SERVICES RENDERED

4. Attached hereto as Exhibit A is a detailed statement of fees incurred during the Monthly Fee Period, showing the amount of \$352,510.00 due for fees.
5. The services rendered by Young Conaway during the Monthly Fee Period are grouped into the categories set forth in Exhibit A. The attorneys and paralegals who rendered

services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in the attachments hereto.

DISBURSEMENTS

6. Young Conaway has incurred out-of-pocket disbursements during the Monthly Fee Period in the amount of \$8,052.08. Attached hereto as Exhibit B is a detailed statement of expenses paid during the Monthly Fee Period. This out-of-pocket disbursement sum is broken down into categories of charges, including, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by Young Conaway to outside copying services for use in mass mailings, travel expenses, expenses for “working meals,” computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. A complete review by category of the expenses incurred for the Monthly Fee Period may be found attached hereto as Exhibit B.

7. Costs incurred for overtime and computer assisted research are not included in Young Conaway’s normal hourly billing rates and, therefore, are itemized and included in Young Conaway’s disbursements. Pursuant to rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), Young Conaway represents that its rate for duplication is \$0.10 per page for black and white copies and \$0.80 per page for color copies, its rate for outgoing telecopier transmissions is \$0.25 per page (excluding related long distance transmission charges), there is no charge for incoming telecopier transmissions, and there is no surcharge for computerized research.

VALUATION OF SERVICES

8. Attorneys and paraprofessionals of Young Conaway have expended a total of 496.60 hours in connection with the matter during the Monthly Fee Period.

9. The amount of time spent by each of these persons providing services to the Debtors for the Monthly Fee Period is fully set forth in the detail attached hereto as Exhibit A. These are Young Conaway's normal hourly rates of compensation for work of this character. The reasonable value of the services rendered by Young Conaway for the Monthly Fee Period as counsel for the Debtors in these chapter 11 cases is \$352,510.00.

10. Young Conaway believes that the time entries included in Exhibit A, attached hereto, and the expense breakdown set forth in Exhibit B, attached hereto, comply with the requirements of Local Rule 2016-2.

11. In accordance with factors enumerated in section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given (a) the complexity of these chapter 11 cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under chapter 11 of the Bankruptcy Code.

12. This Application covers the fee period from April 1, 2025 through and including April 30, 2025. Young Conaway has continued, and will continue, to perform additional necessary services for the Debtors subsequent to the Monthly Fee Period, for which Young Conaway will file subsequent fee applications.

CONCLUSION

WHEREFORE, Young Conaway requests that allowance be made to it in the sum of \$352,510.00, as compensation for necessary professional services rendered to the Debtors for the Monthly Fee Period, and the sum of \$8,052.08, for reimbursement of actual necessary costs and expenses incurred during that period, and requests such other and further relief as the Court may deem just and proper.

Dated: June 11, 2025
Wilmington, Delaware

/s/ Allison S. Mielke

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

Edmon L. Morton (Del. No. 3856)
Matthew B. Lunn (Del. No. 4119)
Allison S. Mielke (Del. No. 5934)
Shella Borovinskaya (Del. No. 6758)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
Email: emorton@ycst.com
mlunn@ycst.com
amielke@ycst.com
sborovinskaya@ycst.com

*Co-Counsel to the Debtors
and Debtors in Possession*

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Nicole L. Greenblatt, P.C. (admitted *pro hac vice*)
Derek I. Hunter (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: joshua.sussberg@kirkland.com
nicole.greenblatt@kirkland.com
derek.hunter@kirkland.com

- and -

Mark McKane, P.C. (admitted *pro hac vice*)
555 California Street
San Francisco, California 94104
Telephone: (415) 439-1400
Facsimile: (415) 439-1500
Email: mark.mckane@kirkland.com

*Co-Counsel to the Debtors
and Debtors in Possession*

VERIFICATION

I, Allison S. Mielke, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury:

1. I am a Partner in the applicant firm, Young Conaway Stargatt & Taylor, LLP (“Young Conaway”), and have been admitted to the bar of the Supreme Court of Delaware since 2013.

2. I have personally performed many of the legal services rendered by Young Conaway for Franchise Group, Inc. and its affiliated debtors and debtors in possession in connection with their chapter 11 cases, and I am familiar with all other work performed on behalf of the lawyers and paraprofessionals at Young Conaway.

3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

Dated: June 11, 2025

/s/ Allison S. Mielke
ALLISON S. MIELKE